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IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1965.

No. 609

OWEN SIEBRING,
Petitioner,

vs.

CHARLES W. HANSEN and AFSCO, INC.,
Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE EIGHTH CIRCUIT

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Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE EIGHTH CIRCUIT

The petitioner respectfully requests that this Court grant a writ of certiorari to review the decision of the United States Court of Appeals For the Eighth Circuit entered in this case on June 28, 1965, denying rehearing of its decision previously entered in this case.

OPINIONS BELOW

The consent decree of the United States District Court in the present case was entered on October 19, 1959 (Record, Vol. I, pp. 10, 11), and was not reported; the opinion of the United States District Court entered July 30, 1964 (Record, Vol. I, pp. 57-80), which pertained to a contempt action, is reported at 231 F. Supp. 634. The opinion of the Court of Appeals was entered on June 2, 1965, and is reported at 346 F.2d 474, and is reproduced as Appendix A. A motion by petitioners for a rehearing was overruled by the Court of Appeals on June 28, 1965.

The Record in the Eighth Circuit Court of Appeals was printed in six volumes, with volumes 1 and 2 relating to the various pleadings and the trial transcript, with volumes 4 through 6 relating to various exhibits. Volumes 4 through 6 were produced in limited numbers by order of the Court because of the great printing expense, and extra copies of volumes 4 through 6 are not available for purposes of this Petition.

Petitioner presents herewith a certified copy of all six volumes of the Record below, plus a certified copy of volume 7, which constitutes the proceedings before the Eighth Circuit Court of Appeals. Petitioner also submits herewith nine uncertified copies of volumes 1 and 2 of the Record below. Respondents have been previously served with copies of all six volumes of the Record below.

JURISDICTION

The jurisdiction of the Court is invoked under 28 U.S.C. §1254 (1).

QUESTIONS PRESENTED

The following questions are presented for this Court's determination:

1. Can one who intervenes in an action under Rule 24 of the Federal Rules of Civil Procedure assert defenses which were not available to the original defendant in the suit?

2. Is a judgment in an action against only a single partner *res judicata* to a second partner under Iowa law when the second partner intervenes in a subsequent contempt action against the first partner?

3. Has one who has intervened as a matter of right in an action been denied due process of law under the Fourteenth Amendment of the Constitution by being denied the right to assert the defenses which prompted his intervention?

STATUTES AND CONSTITUTIONAL PROVISIONS INVOLVED

I. Rule 24 (a) and (b) of the Federal Rules of Civil Procedure.

> "(a) Intervention of Right. Upon timely application anyone shall be permitted to intervene in an action: (1) when a statute of the United States confers an unconditional right to intervene; or (2) when the representation of the applicant's interest by existing parties is or may be inadequate and the applicant is or may be bound by a judgment in the action; or (3) when the applicant is so situated as to be adversely affected by a distribution or other disposition of property which is in the custody or subject to the control or disposition

of the court or an officer thereof. As amended Dec. 27, 1946, eff. March 19, 1948."

"(b) Permissive Intervention. Upon timely application anyone may be permitted to intervene in an action: (1) when a statute of the United States confers a conditional right to intervene; or (2) when an applicant's claim or defense and the main action have a question of law or fact in common. When a party to an action relies for ground of claim or defense upon any statute or executive order administered by a federal or state governmental officer or agency or upon any regulation, order, requirement or agreement issued or made pursuant to the statute or executive order, the officer or agency upon timely application may be permitted to intervene in the action. In exercising its discretion the court shall consider whether the intervention will unduly delay or prejudice the adjudication of the rights of the original parties. As amended Dec. 27, 1946, eff. March 19, 1948."

II. The Fourteenth Amendment to the United States Constitution, Section 1.

"All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws."

STATEMENT OF THE CASE

Claude Siebring was sued in his individual capacity on February 12, 1959, for infringing United States Patent No. 2,867,314 on a cattle bunk feeder. At that time and since, Claude Siebring was a business partner with his son, Owen, in the Siebring Manufacturing Company of George, Iowa, and Owen or the partnership were not parties defendant to this infringement action.

On October 19, 1959, a consent decree was entered against Claude Siebring, said decree (Record, Vol. I, p. 10) asserting that the patent was valid and that the patentee, Hansen, was the sole inventor of the subject matter of the patent.

On February 1, 1962, Claude Siebring was cited for contempt of the decree because of the continued manufacture of certain cattle bunk feeders deemed by the plaintiff to still infringe the patent in question in violation of the decree.

On May 11, 1962, Owen Siebring sought to intervene in the contempt action (Record, Vol, I, p. 36) asserting that he was a joint inventor of the patent in question, and asserting further that he would be adversely affected by a distribution or disposition of the property subject to the control of the Court, and that he had a claim or defense which was common to the main action in law and fact. Intervenor's Answer (Record, Vol. I, pp. 36-44) alleged both the defenses of joint inventorship and invalidity of the patent. Owen Siebring was permitted to intervene as a matter of right by order of the District Court on March 6, 1963 (Record, Vol. I, p. 44 and p. 48).

The District Court limited the contempt hearing to the question of infringement, and found both Claude and Owen Siebring in contempt, and granted an accounting for dam-

ages, and awarded plaintiffs costs and reasonable attorneys' fees (Record, Vol. I, p. 80). In response to petitioner's subsequent motion under Rule 60, the District Court stated (Record, Vol. I, p. 85) that Owen Siebring was allowed to intervene because he could be jointly liable if contempt was found, but that intervention for this purpose did not require or permit the question of the validity of the patent to be raised.

On appeal, the Court of Appeals for the Eighth Circuit affirmed the judgment of the District Court and held that the intervenor, Owen Siebring, could not invoke his defenses of joint inventorship or patent invalidity.

The District Court had jurisdiction of this controversy under 28 U.S.C. 1338(a).

REASONS RELIED UPON FOR ISSUANCE OF THE WRIT

1. The Effect of the Decision of the Court of Appeals Is That an Intervenor "As a Consequence of the Intervention," Is Required to Accept the Limitations of Defense That the Consent Decree Imposed on the Original Defendant.

The Court of Appeals found (A6) that Owen Siebring was bound by the original decree, and hence could not raise the defenses of invalidity and joint inventorship which were raised in his answer. However, the Court went even further and stated (A6):

> "But it is not necessary to rest our conclusion on that basis."

The Court then went on to explain the further basis upon which the intervenor, Owen Siebring, could not raise the defenses of his answer (A6-A7):

> "We subscribe to the trial court's conclusion and *observe further* that *as a consequence of the intervention* Owen was required to recognize and accept the existence of the consent decree. Under the circumstances here presented, he is bound by all orders and decrees in the original action." (Emphasis supplied.)

This finding of the court means that an intervenor, "as a consequence of the intervention," cannot raise a defense that is unavailable (by reason of *res judicata* or whatever) by the original defendant. This cuts at the very heart of the rule for intervention, for the very substance of Rule 24 of the Federal Rules of Civil Procedure is to permit a third party to intervene as a matter of right when he "may be bound by a judgment in the action," [Rule 24 a (2)]; or when he is so situated to be adversely affected by disposition of property subject to the control of the court [Rule 24 a (3)]; and having intervened, to assert those defenses which would protect those rights contemplated by Rule 24.

Owen Siebring is in the paradoxical position of having been permitted as a matter of right to intervene to protect his interests, but having intervened, was not permitted to assert the defenses in support of his rights. If this interpretation of the status of an intervenor, "as a consequence of his intervention," is to exist, it will substantially dilute the intended purpose of Rule 24, and will confine the intervenor only to those defenses which he finds, upon intervention, that the original defendant is permitted to raise.

A. The Circuit Court's Application of Rule 24 of the Federal Rules of Civil Procedure Will Have a Widespread Effect on Federal Law; It Has Decided an Important Question of Federal Law Which Has Not Been, But Should Be, Settled by This Court; and Has Departed from the Accepted and Usual Course of Judicial Proceedings.

If an intervenor, "as a consequence of the intervention" is unable to assert defenses that the original defendant either does not have, or cannot assert, a widespread impact on this federal question will have been wrought, and the real purpose of Rule 24 will have been diluted. Moreover, this application of Rule 24 has departed from the usual course of judicial proceedings. In *Formulabs, Inc. v. Hartley Pen Company et al.*, 275 F.2d 52 (9 Cir. 1960), the Hartley Pen Company was licensed under a trade secret for making ink by Formulabs, Inc., and Hartley subsequently became engaged in a warranty controversy with E. I. du Pont de Nemours & Company over some allegedly faulty ingredients which were sold to Hartley for use in the making of ink. Du Pont insisted upon obtaining the trade secret for the ink from Hartley through discovery procedures, and Formulabs was permitted to intervene to protect its property right in the trade secret, a property right which Hartley did not possess and could not assert.

This decision reflects the general law that an intervenor of right can assert any relevant defense to protect whatever property right he has which may be involved in the controversy under consideration. The Federal Courts have been liberal in not restricting the defenses that an intervenor can assert after it has been determined that he can intervene, and the great weight of authority will permit an intervenor to even file a counterclaim whether the intervention is by right or permissive, or whether the counterclaim is compulsory or permissive. *Federal Practice and*

Procedure, Barron and Holtzoff, Vol. 2, §603.1, p. 408; *U. S.* v. *Martin,* 267 F.2d 764, (10 Cir. 1959); *Lenz* v. *Wagner,* 240 F.2d 666, (5 Cir. 1957); *Northeast Clackamas County Elec. Coop Inc.* v. *Continental Casualty Co.,* 221 F.2d 329 (9 Cir. 1955); *Switzer Bros.* v. *Locklin,* 207 F.2d 483 (7 Cir. 1953).

The Supreme Court has not ruled on the specific question as to what limitations, if any, should be imposed on the available defenses of one who intervenes in an action as a matter of right. The Eighth Circuit Court of Appeals has ruled on this question, and has substantially departed from the accepted and usual course of judicial proceedings, as reflected by the *Formulabs, Inc.* case (*supra*). Because of the far reaching affect that the decision of the Eighth Circuit Court of Appeals will have on the application of Rule 24, it is submitted that this Court should review this decision for its great importance to a question of Federal Law.

2. The Conclusion of the Court of Appeals That the Consent Decree Was Res Adjudicata to Owen Siebring Was Contrary to Iowa Common Law.

The Court of Appeals also held that Owen Siebring was prevented, after intervening, from raising the defenses of invalidity and joint inventorship for these matters were disposed of by the consent decree, and the Court held this decree to be *res judicata* against Owen Siebring by virtue of his partnership relation with the single original defendant, Claude Siebring.

This conclusion is contrary to the principles set forth by the Iowa Supreme Court and other judicial bodies who conclude that a judgment against a partnership in Iowa is not a judgment against the individual partners. *Anderson* v. *Wilson,* 142 Iowa 158, 120 N.W. 677, (1909).

In *Draisner* v. *Liss Realty Co.*, 228 F.2d 48 (C.C.A. D.C. 1955), where one partner, Draisner, was a defendant, the Court stated (Page 50 of 228 F.2d):

> "Draisner's partners would not be bound by a judgment rendered in a proceeding to which they were not partners."

Parties as between whom the judgment is claimed to be an estoppel must have been parties to the action in which it was rendered, in the same capacities and in the same antagonistic relation, or else they must be in privity with the parties in such former action.

Clark v. *E. C. Schroeder Co.*, 73 F. Supp. 1007, affd. 167 F.2d 739, cert. den. 69 S. Ct. 33, 335 U.S. 815.
In re Richardson's Estate, 250 Iowa 275, 93 N.W.2d 777.
Kunkel v. *Eastern Iowa Light & Power Co.*, 232 Iowa 649, 5 NW.2d 899.
50 *C.J.S.*, Judgments, §763.

Mere notice of the action to one not in privity with, or bound to indemnify, any of the parties, coupled with the fact that he might have been allowed to intervene if he had chosen to do so, does not make him a party to the judgment.

Gratiot County State Bank v. *Johnson*, 39 S. Ct. 263, 249 U.S. 246.
50 *C.J.S.*, Judgments, §763.

There was no privity between intervenor Owen Siebring and the original defendant, Claude Siebring, as that term is contemplated by the law, for privity is defined as a mutual or successive relationship to the same rights of property which arose subsequent to the judgment relied upon as the bar. This is the definition most often fol-

lowed, not only in the Federal Courts, but also in the State of Iowa.

National Lead Co. v. *Nulsen,* 131 F.2d 51 (C.C.A. 8, 1943).

Weede v. *Bechtel,* 31 N.W.2d 853, 239 Iowa 1298, cert. den. 69 S. Ct. 1161, 337 U.S. 918.

As stated in 50 C.J.S., Judgments, §788:

> "It has been held that all persons are privies to a judgment who succeed to the estate, interest, or rights of property thereby adjudicated or affected where such succession was derived through or under one or other of the parties to the action, and accrued subsequent to the commencement of that suit or subsequent to the rendition of judgment; and one is not a privy to a judgment where his succession to the rights of property thereby affected occurred previous to the institution of the suit."

See *National Lead Co.* v. *Nulsen (supra)*; *Hawkeye Life Ins. Co.* v. *Valley-Des Moines Co.,* 260 N.W. 699, 220 Iowa 556. See also *In re Richardson's Estate,* 250 Iowa 275, 93 N.W.2d 777, where two grantors who acquired notes long prior to date of the action, were held not to be in privity.

Except in states having special statutes affecting rights of partners and partnerships, the rule is that a judgment against a partnership is not a judgment against the individuals who comprise it. As stated in 50 C.J.S., Judgments, §806:

> "A judgment against a partnership as such is not a judgment against the individuals who comprise it. * * * and it has been held that a judgment against a partnership is binding on a member thereof, except where the judgment against the firm was taken on service of his copartner alone, or was confessed or consented to by a copartner without his express authority."

> "A partner not cited is not concluded by a judgment against another partner. Also, a partnership is not bound by a judgment against a member of the firm in a suit to which it was not a party."

Thus, the Court of Appeals has decided an important state question in a way in conflict with applicable state law, and has departed from the accepted and usual course of judicial proceedings, and petitioner seeks certiorari for review of this decision which has erroneously held that the partner, Owen Siebring, was bound by the terms of a consent decree in an action involving only his father, Claude Siebring, this conclusion being contrary to principles adopted by the Iowa Supreme Court and other judicial bodies.

3. The Intervenor, Owen Siebring, Who Was Held in Contempt, Has Been Denied Due Process of Law by Being Denied the Right to Assert the Defenses of Joint Inventorship and Patent Invalidity.

It is petitioners' belief that this is a case of first impression in that this Court has not previously had cause to rule on whether or not the question of due process of law is involved in a patent case where the defenses of invalidity and joint inventorship have been asserted and then precluded.

The intervenor, Owen Siebring, was not allowed to present to the District Court the defenses he had in resistance to the contempt action. In a case involving the alleged contempt of an attorney, this Court held in *Cooke* v. *United States*, 267 U.S. 517, 45 S. Ct. 390, 395, 69 L. Ed. 767:

> "Due process of law, therefore, in the prosecution of contempt, except of that committed in open court, requires that the accused should be advised of the charges and

> have a reasonable opportunity to meet them by way of defense or explanation. We think this includes the assistance of counsel, if requested, and the right to call witnesses to give testimony, relevant either to the issue of complete exculpation or in extenuation of the offense and in mitigation of the penalty to be imposed. See Hollingsworth v. Duane, 12 Fed. Cas. 359, 360; In re Stewart, 118 La. 827; 43 So. 455; Ex Parte Clark, 208 Mo. 121, 106 S.W. 990; 15 L.R.A. (N.S.) 389."

See the same rule followed in *Hunter* v. *State*, 37 So.2d 276, 251 Ala. 11.

As indicated above, unless Owen Siebring was estopped to raise these defenses by the theory of *res judicata*, he was denied due process of law by being held in contempt without being able, in the language of the *Cooke* case, *supra*, to submit evidence "relevant either to the issue of complete exculpation or extenuation of the offense and in mitigation of the penalty imposed."

The doctrine of *res judicata* does not preclude the application of the due process clause in this matter, for *res judicata* cannot be held to apply to Owen Siebring, who was not a party to the consent decree. The reasoning of the Court on this specific question in *Heaton* v. *Southern Ry. Co.*, 119 F. Supp. 658 (D.C. So. Car. 1954), where a truck driver sought damages from a railroad company for injuries sustained in a crossing accident after the railroad company had previously sought recovery for damages from the driver's employer, is most applicable to the case at bar. The District Court made these very pertinent comments, at page 661 of 119 F. Supp.:

> "It is elementary and fundamental that every individual is entitled to his own day in court in which to assert his own rights and to defend against their infringement. The requirements of due process of law forbid the assertion of the pleas of *res judicata*

against a party unless he was bound by the earlier litigation in which the matter was decided. He is bound by that litigation only if he was a party thereto or in privity with a party thereto. The plaintiff in this case was not a party to the action brought by the Southern Railway Company against Malone Freight Lines. He is not in privity with any party in that action or in the sense that his rights there are derived from anyone who was a party in that action. His cause of action is and always has been his own. It is in no way derived from his employer Malone Freight Lines, who was a party in the action brought against it by the Southern Railway Company. The relation of employer and employee in and of itself does not confer upon the employer any power to represent or to bind the employee in any litigation. That the plaintiff testified as a witness in the former action is immaterial. He had no control over the conduct of the trial. He was not represented by counsel. His interest was not legally represented at the trial. Malone Freight Lines, the defendant in the previous action could not cross-examine opposing withesses. The present plaintiff had no authority as to what witnesses should be summoned or what witnesses should be put upon the witness-stand. It appears from the record that the present plaintiff has two witnesses to the accident who will testify in his behalf when the case is called for trial, who did not testify in the previous trial. The plaintiff has had no previous opportunity to prove his case. There is no privity between plaintiff and his employer that makes their interests identical in this action. The present plaintiff was not vouched or given notice and opportunity to defend in the previous litigation. The essential elements of an estoppel by judgment are lacking. It follows, therefore, that the former adjudication is not a defense to this action."

Owen Siebring was not bound by a consent decree agreed to by his partner and father, Claude Siebring, wherein it was determined that Owen was not a joint inventor and

the patent in question was invalid; and if Owen was to be bound by the contempt proceeding as stated by the District Court (Record, Vol. I, page 48), then Owen was entitled by due process of law to raise these defenses that would be "relevant to the issue of complete exculpation or in extenuation of the offense and in mitigation of the penalty to be imposed." (*Cooke* v. *United States, supra*).

CONCLUSION

For the reasons stated, this Court should review the decision of the Court of Appeals, and this petition should therefore be granted.

Respectfully submitted,

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APPENDIX

APPENDIX A

United States Court of Appeals

FOR THE EIGHTH CIRCUIT

No. 17,814

Claude Siebring d/b/a Siebring Manufacturing Company, and Owen Siebring,

Appellants,

v.

Charles W. Hansen and AFSCO, Inc.,

Appellees.

Appeal from the United States District Court for the Northern District of Iowa.

[June 2, 1965.]

Before MATTHES and BLACKMUN, Circuit Judges, and REGISTER, District Judge.

MATTHES, Circuit Judge.

This is a civil contempt proceeding in which the trial court, Honorable William C. Hanson, found Claude Siebring and Owen Siebring in contempt on the ground that they had continued to infringe a patent subsequent to and in violation

of a previous court decree.[1] The basic question presented here is whether the court committed error in holding the Siebrings in contempt. The issue of infringement was also injected in the trial and it too was determined adversely to the Siebrings. The judgment of the court in this regard is also challenged by appellant.

The court's memorandum opinion which constitutes its findings of fact, conclusions of law, and order for the judgment, is reported at 231 F.Supp. 634. As an examination thereof will disclose, the court exhaustively reviewed the pertinent facts, stated the contentions of the parties, analyzed the issues, and declared and applied what it regarded to be the applicable and controlling legal principles. The thoroughness of the court's factual analysis obviates the necessity of another full recital of the pertinent evidence.

The background facts and the prior court proceedings are important. Charles W. Hansen, one of the moving parties below and an appellee here, procured patent 2,867,314 relating to an improved bunk feeder on January 6, 1959.[2] Claude Siebring, doing business as Siebring Manufacturing Company, manufactured and sold bunk feeders prior to the issuance of the Hansen patent. A patent infringement suit was filed by Hansen against Claude Siebring, d/b/a Siebring Manufacturing Company, in the United States District Court for the Northern District of Iowa, and on October 19, 1959, a consent decree was entered in that action. The decree em-

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1. Formal suggestion has been made and filed that Claude Siebring, father of Owen Siebring, died subsequent to the rendition of the judgment appealed from. Although this proceeding was initiated solely against Claude Siebring. Owen was permitted to intervene and the judgment is against both. Owen remains as the sole appellant. Hereinafter the alleged offending parties will be referred to as Siebring or Siebring Manufacturing Company.

2. Charles W. Hansen assigned his rights in the patent April 3, 1962, to AFSCO, Inc., a corporation, and during the trial the corporation was added as a party plaintiff.

bodied the essential elements of the written agreement the parties had entered into for the purpose of amicably settling their differences. Inasmuch as the trial court's opinion recites in full the court decree, Id. at 637, 638, a summary thereof should suffice for the purposes of this opinion. It decreed that patenet 2,867,314 owned by Hansen "is good and valid in law"; that defendant (Claude Siebring) has infringed upon patent 2,867,314 by manuracturing and/or selling subsequent to issue date of the patent bunk feeders coming within the scope of the claims of the Hansen patent; that defendant "his heirs, employees, associates, servants, privies" etc., shall be permanently enjoined and forever restrained from manufacturing and/or selling devices which constitute an infringement of Hansen's patent; and that the injunction shall not restrain "defendant or those in consort with him" from manufacturing and/or selling devices which do not come within the scope of the claims of the Hansen patent. Pursuant to the consent decree, a writ of injunction was duly issued.

The present proceeding was instituted on February 1, 1962, by the filing of a motion for contempt in which it was alleged that defendant has "wrongfully and contumaciously continued to manufacture and sell devices which constitute an infringement of plaintiff's said Patent 2,867,314 since the issue of and in violation of the beforesaid Writ of Permanent Injunction." A show cause order was issued. Thereafter, Owen Siebring, who was a partner with his father in the business, was permitted to intervene, resistances to the motion for contempt were filed and thereby the issues were made up and framed.

The trial court correctly stated, Id. at 640, that the question as to contempt was whether "the defendants' machines sold after the Consent Decree and Injunction contained merely colorable changes from the Exhibit 8 type

machine which was the subject of the Consent Decree and Injunction." Although entertaining the view that the question whether the post-decree machines manufactured and sold by defendants also infringed upon appellees' protected machine was not an issue in the case, the court, at the insistence of the Siebrings and because of the plenary hearing, in which the scope of the evidence was all-encompassing, also considered and resolved the infringement question.

We are satisfied that the crucial and decisive trial issue was not burdened with undue and unusual complications. The rather simple question was whether the bunk feeders manufactured and sold by the Siebrings subsequent to the decree were mere colorable imitations of the feeders which were encompassed within the consent decree. However, astute and ingenious counsel for appellant persisted in seeking to attack the validity of the Hansen patent and to convert the hearing into a full-scale patent infringement contest.

The legal principles which are ordinarily applicable and serve as guidelines in contempt proceedings are well settled.

Courts are empowered by the provisions of Title 35 U.S.C.A. §283, to grant injunctions to prevent the violation of any right secured by patent. And one who violates an injunction restraining him from infringing upon a patent may be held in contempt. 18 U.S.C.A. §401; *Hopp Press, Inc.* v. *Joseph Freeman & Co., Inc.*, 323 F.2d 636 (2 Cir. 1963); *Wire Rope Appliance Co.* v. *Eureka Tool Co.*, 256 F. 677 (D.Ct. Kans.), affirmed 265 F. 673 (8 Cir. 1920); *American Foundry & Mfg. Co.* v. *Josam Mfg. Co.*, 79 F.2d 116 (8 Cir. 1935). In a contempt proceeding for alleged violation of an injunction entered pursuant to a consent decree in the original action, the validity of patent claims is not in issue. *T. L. Smith Co.* v. *Cement Tile Machinery Co.*, 257 F. 423 (8 Cir. 1919), cert. denied 250 U.S. 669 (1919); *D. E. Stearns*

Company v. *Brashear*, 145 F.Supp. 735 (W.D. Mo. 1956); *Kiwi Coders Corporation* v. *Acro Tool & Die Works*, 250 F.2d 562 (7 Cir. 1957); *Wire Rope Appliance Co.* v. *Eureka Tool Co.*, supra; *Wadsworth Electric Mfg. Co.* v. *Westinghouse Electric & Mfg. Co.*, 71 F.2d 850 (6 Cir. 1934), cert. denied 284 U.S. 650 (1931); *Hopp Press, Inc.* v. *Joseph Freeman & Co., Inc.*, supra, where the court succinctly stated, 323 F.2d at 637: "The validity of the patent is not before the court, for the consent decree made that question *res judicata* for the purposes of this appeal." (Citing cases). A consent decree is a judicial act, *United States* v. *Swift & Co.*, 286 U.S. 106, 114, 115 (1932), and possesses the same force and character as a judgment rendered following a contested trial. *Kiwi Coders Corporation* v. *Acro Tool & Die Works*, supra.

A contempt proceeding for violation of a patent infringement injunction will lie where the new and alleged offending device is merely "colorably" different from the enjoined device or from the patent. In *American Foundry & Mfg. Co.* v. *Josam Mfg. Co.*, supra, this Court held, 79 F.2d at 117:

> "As will be hereinafter shown, all subsequent constructions by a convicted infringer are not triable in contempt proceedings. Only where such constructions are merely 'colorably' different from the enjoined device or from the patent is the issue so triable. Such constructions may turn out to be infringements, but if they are more than 'colorably' different, the issue of infringement must be otherwise determined than by a contempt proceeding. Therefore, when the issue of infringement is presented in a contempt proceeding, the court must first determine whether it can properly entertain the issue in that proceeding."

See also 3 Walker on Patents, Sec. 818 (Deller's Edition 1937), and compare *Wadsworth Electric Mfg. Co.* v. *West-*

inghouse Electric & Mfg. Co., supra; *Baltz* v. *Walgreen*, 198 F. Supp. 22 (W.D. Tenn. 1961).

Thus, in light of the settled state of the law which delineates the issues that may permissibly be adjudicated in a contempt proceeding, we find no merit in appellant's contention that the court erred in failing to adjudicate the validity of the Hansen patent. That question has been conclusively settled and determined by the consent decree and is res judicata for purposes of this appeal. The argument that Owen Siebring (appellant) is not bound by the consent decree because he was not a party to the agreement and was not restrained by the court's injunction is lacking in substance. The facts are that Owen was a partner with his father in the Siebring business—he was active in its management, he was fully aware of the terms of the agreement forming the foundation for the consent decree, indeed he signed the agreement as a witness to his father's signature, and at all times understood the import of the decree. But it is not necessary to rest our conclusion on that basis. The trial court permitted Owen to intervene in this proceeding, stating:

> "In addition to other submissions in this cause, one Owen Siebring has made a Motion to Intervene. This motion should be granted under Rule 24 because he may be liable if it is determined that Claude Siebring, the partner of Owen Siebring, has been infringing on the patent of the plaintiff. A partnership is liable in an action for infringement committed in the regular course of the partnership business by one or more of the partners. A manager of the partnership is a joint infringer. *Featherstone* v. *Cycle*, 53 Fed. 110; *Trent* v. *Risdon Iron and Locomotive Works*, 102 Fed. 635; *Dean Rubber* v. *Killian*, 106 F. 2d 316 (8th Cir. 1939); *Walker on Patents*, Section 436, Vol. III."

We subscribe to the trial court's conclusion and observe further that as a consequence of the intervention

Owen was required to recognize and accept the existence of the consent decree. Under the circumstances here presented he is bound by all orders and decrees in the original action. See and compare *Commercial Electrical Supply Co.* v. *Curtis*, 288 F. 657, 659 (8 Cir. 1923) cert. denied 263 U.S. 709 (1923); *Rector* v. *United States*, 20 F. 2d 845 (8 Cir. 1927); *Galbreath* v. *Metropolitan Trust Co.*, 134 F. 2d 569, 570 (10 Cir. 1943), and cases cited therein; *Hartley Pen Co.* v. *Lindy Pen Co.*, 16 F.R.D. 141, 153 (S.D. Calif. 1954); 4 Moore, Federal Practice, §24.16, at 120, 121 (2d Ed. 1953).

Appellant also argues that "[t]here can be no doubt that the Court has authority to modify the terms of an injunctive decree," and cites as authority such cases as *United States* v. *Swift & Co.*, 286 U.S. 106 (1932); *System Federation No. 91, Railway Employees' Dept., AFL-CIO*, v. *Wright*, 364 U.S. 642 (1961); *Pope Manufacturing Company* v. *Gormully*, 144 U.S. 224 (1892). We have examined these cases and are not persuaded that the rule for which they stand has any application to the facts of this case.

Contempt Issue.

We turn now to the consideration of the contempt issue. Siebring sought to escape the force of the consent decree and the resulting writ of injunction on the theory that the decree applied only to Siebring's "previously made dropped-holed tubes and not the horizontal-holed tubes." The dropped-holed tubes are portrayed in Exhibit 7, hereinafter referred to as PX 7. This feeder concedely infringed the Hansen patent. The horixontal-holed tubes are shown in Exhibit 8, and will hereinafter be referred to as PX 8. This machine or feeder was also manufactured by Siebring prior to the consent decree but,

as suggested, Siebring contends the decree was not intended to and does not in effect apply to this feeder.

The trial court's opinion, 231 F.Supp. at pp. 638, 639, accurately describes the structure of the Hansen bunk feeder, its features and the functional aspects thereof. By way of resume, this feeder is made up of a feed hopper and an elongated discharge or delivery tube which is mounted on a frame. The tube is in sections with one end connected to the hopper. An auger is disposed within the tube and the turning of the auger causes feed from the hopper to be discharged through longitudinally spaced openings into the feed bunk trough. By means of a tube rotation control lever the entire delivery tube may be adjusted about its axis and the discharge openings in the tube may thereby be lowered as one progresses from the hopper end to the outer end of the tube. The primary function of the feeder is to provide even distribution of feed material in the feed bunk trough.

The trial court found that the only substantial difference between the PX 8 feeder and the Hansen machine was in the arrangement of the discharge holes in the delivery tube sections. In the PX 8 feeder the discharge openings were arranged generally horizontal or parallel to the axis of the tube in each tube section, but the sections of the tubes were manufactured so as to permit them to be assembled—not necessarily with the discharge holes arranged in a straight line, but so that the lowest walls of the discharge openings could be disposed progressively lower from a high point adjacent to the hopper to a low point at the outer end of the tube. Id. at 639.

The record convinces us that the court correctly interpreted the meaning and effect of the consent decree and properly determined that the decree applied to and enjoined the manufacture or sale of the PX 8 type of feeder.

Subsequent to the decree Siebring manufactured or sold four types of bunk feeders. In each of the four different types of feeder the variation from the PX 8 feeder was in the auger designated by Siebring as a "wonder auger." Since they are accurately described in the Court's opinion, Id. at 639, 640, another description thereof is wholly unnecessary. It is sufficient to observe that the evidence clearly demonstrated and the court found that the striking similarity of the post-decree Siebring feeders and the PX 8 model was in the structure of the elongated tubes through which feed material passed and was discharged into the feed trough. The indisputable fact is that the wonder auger feeders were so constructed that the purchasers thereof were, as was true with the PX 8 feeder, enabled, in the assembling of the machines, to place the tubes in such a position that the discharge holes were progressively lowered. The record shows that, with one exception, the feeders were assembled to bring about a progressive lowering of the discharge openings. It was this feature of the wonder auger machines which permitted an even distribution of the feed material, and it was this feature which obviously caused the court to conclude that the alleged offending feeders were not materially different from the enjoined PX 8 feeder.

It is abundantly clear that Judge Hanson carefully and meticulously considered and examined the evidence bearing upon the difference in the structural make-up of the wonder auger types of feeder and the PX 8 feeder. After doing so, he found that the wonder auger machines, with or without the elongated openings, were designed to perform the same purpose as the PX 8 machine and the Hansen feeder; that the function of the wonder auger was not substantially different from the standard auger; and that the principle upon which the wonder auger functioned was substantially or almost identical to the principle upon which

the PX 8 machine functioned. From all of this the court concluded that three types of feeders manufactured and/or sold by Siebring subsequent to the decree and which are described in detail on p. 638 of the court's opinion, constituted mere colorful imitations of the PX 8 type machine and, as a consequence, found that appellant violated the injunction decree.

Having examined the record, the numerous exhibits, including photographs and charts, with care, we have no difficulty in concluding that there is substantial evidence to support the trial court's findings in regard to the contempt issue and that such findings are in accord with established and applicable legal principles.

Infringement Issue. The trial court stated that this issue "was not actually taken up in the contempt proceedings"; nevertheless, the court found "only because the defendants are content that infringement was actually at issue, that the three machines not only were mere colorable imitations of their previously enjoined Exhibit 8 type machine, but that these three machines did infringe the Hansen patent."

Having determined that the trial court properly ruled that the offending Siebring feeders were only colorably different from the enjoined feeders and the Hansen patent, it follows that the three offending feeders hereinabove referred to infringed the Hansen patent. The court was not, on this record, required to adjudicate the infringement issue in this contempt proceeding; however, as we have seen, it was prevailed upon by the Siebrings to do so. The infringement issue was fully explored by the trial court and the conclusion it reached was not only justified but, in our view, is the only result warranted by the facts and the applicable law.

Costs, Disbursements and Attorney Fees Issue. In the formal judgment entered pursuant to its opinion, the court adjudged that "plaintiffs are entitled to their costs and disbursements and reasonable attorneys' fees in this action."

Appellant assigns as error this action of the court. We are told by appellant that in patent infringement cases attorney fees should be awarded only in extraordinary cases bottomed on a finding of unfairness or bad faith. And, of course, appellant insists that this is not such a case. To be sure, the law is clear that in an action for patent infringement attorney fees should not be allowed except in the extraordinary case. The statute so provides, 35 U.S.C.A. §285, as do the cases cited and relied upon by appellant. *Collins* v. *Owen,* 310 F. 2d 884 (8 Cir. 1962); *Rohr Aircraft Corporation* v. *Rubber Teck, Inc.,* 266 F. 2d 613 (9 Cir. 1959); *Park-In-Theatres* v. *Perkins,* 190 F. 2d 137 (9 Cir. 1951), which contains an interesting discussion of the law and the circumstances under which such allowances may properly be granted.

From the argument made by appellant and the authorities relied upon by him, it is apparent that he views this as an ordinary patent infringement action. This position is untenable. As we have tried to demonstrate, this is a civil contempt proceeding growing out of the continued infringement of the Hansen patent in the face of an injunction proscribing such infringement. Unlike numerous infringement cases where the validity of the patent was the crucial question, the validity of the Hansen patent had been judicially determined and is not an issue. The circumstances attending the conduct of appellant and Claude Siebring subsequent to the rendition of the consent decree certainly justify the conclusion that this is an extraordinary case.

There is sound authority to support the allowance of attorney fees, disbursements and costs in contempt actions

growing out of an order enjoining infringement of a patent. 3 Walker on Patents, Secs. 835-837 (Deller's Edition 1937); *Sunbeam Corporation* v. *Golden Rule Appliance Co.* (trademark case, 252 F. 2d 467 (2 Cir. 1958); *Wadsworth Electric Mfg. Co.* v. *Westinghouse Electric & Mfg. Co.*, 71 F. 2d 850 (6 Cir. 1934); *Carter Products, Inc.* v. *Colgate-Palmolive Co.*, 214 F. Supp. 383 (D. Md. 1963), cert. denied 352 U.S. 843 (1956); *Baltz* v. *Walgreen Company*, 198 F. Supp. 22, 26 (W.D. Tenn. 1961). Compare also *Leman* v. *Krentler-Arnold Co.*, 284 U.S. 448 (1932).[3]

Obviously, whether the complaining party is entitled to allowances of the nature of those here under attack depends upon the facts and circumstances of each case. Such allowances are confined to the sound discretion of the trial court, and the appellate court's review is confined to determining whether the court's action resulted from an abuse of judicial discretion. See *Collins* v. *Owen*, 310 F. 2d 884, 888 (8 Cir. 1962). We have reviewed the record in that light and are satisfied that a sound evidentiary basis existed for the allowances complained of. Evidently the court was convinced, as we are, that the Siebrings were not motivated by good faith in their repeated attempts to avoid the sanctions of the consent decree, and the court's injunction.

The judgment is in all respects affirmed.

A true copy.

Attest:

Clerk, U. S. Court of Appeals, Eighth Circuit.

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3. In *Sunbeam Corporation*, a civil contempt proceeding, the court held, one Judge dissenting, that it was improper to assess a fine against the defendant although such fine was apparently intended to approximate the probable damages. In *Baltz* the District Court held in unequivocal language that a fine was appropriate. That question is not in this case and we pretermit further consideration thereof.

APPENDIX B

Judgment

United States Court of Appeals

FOR THE EIGHTH CIRCUIT

(Filed June 2, 1965)

No. 17,814. September Term, 1964.

Claude Siebring d/b/a Siebring
Manufacturing Company, and
Owen Siebring,
Appellants.

vs.

Charles W. Hansen and Afsco, Inc.

Appeal from the United States District Court for the Northern District of Iowa.

This Cause came on to be heard on the record from the United States District Court for the Northern District of Iowa, and was argued by counsel.

On Consideration Whereof, it is now here ordered and adjudged by this Court, that the judgment of the said District Court, in this cause, be, and the same is hereby, in all respects, affirmed.

June 2, 1965.

Order entered in accordance with Opinion:—

/s/ Robert C. Tucker,
Clerk, U. S. Court of Appeals
for the Eighth Circuit.